(b) to (d) The proposal for reducing the prices of ceiling packs of formulations based on above mentioned drugs were approved in July, 1989. The notifications reducing the prices of formulations of Amoxycillin Trihydrate and Ampicillin Trihydrate/ Ampicillin Anhydrous were issued on 7.11.1989 and 7.1.1991 respectvely. The details of revised prices are given in the Government notifications No. S.O. 931(E) dated 7.11.1989 and S.O. 7(E) dated 7.1. 1991 published in the Gazette of India Extraordinary No. Part II Section 3(ii) respectively. These are ceilling prices and are not company specific. A large number of

1898. SHRI ANANT RAM JAISWAL companies are engaged in the production of formulations based on these drugs.

**Ratification of Paris Convention on Drugs by India**

1892. SHRI ANANT RAM JAISWAL: Will the PRIME MINISTER be pleased to state:

(a) whether Government propose to sign the Paris Convention on patents the negotiations of which are in progress;

(b) what are the provisions/contents of the treaty; and

(c) whether Government have analysed the repercussions of the treaty on the indigenous pharmaceutical industry as well as on the prices of essential drugs?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (c) Government have not yet taken a decision on joining the Paris Convention. The repercussions on the indigenous pharmaceutical industry as well as on the prices of essential drugs would depend on the decision of the Government on various provisions of the treaty and consequential changes, if any, in the Indian Patents Act, 1970.

**Basic production of bulk drugs**

1893. SHRI RAJNI RANJAN SAHU: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question No. 1985 given in the Rajya Sabha on 11th March, 1993 and to state:

(a) whether it is a fact that due to custom duty concessions basic production of bulk drugs has not been commenced;

(b) what are the names of drugs and companies falling under such situation;

(c) whether it is a fact that on the other hand drug industry has profiteered and more foreign exchange has gone out;

(d) whether it is also a fact that no benefit to the consumer has been passed on during the past two years;

(e) what are the names of drugs where prices have been reduced; and

(f) if not, what steps are being taken in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (f) The purpose of giving custom duty concessions on intermediates and bulk drugs is to encourage the manufacture of bulk drugs and formulations from more basic stages, and also to ensure the availability of medicines in abundant quantity and at reasonable prices to the consumers.

There are 143 bulk drugs, and their formulations, under price control, which represent about 70 per cent of the total market. The prices of these drugs are fixed/revised from time to time in accordance with the procedures and norms laid down under DPCO, 1987. Whenever there are custom duty concessions on drug intermediates, their revised prices, after taking due cognizance of concessions allowed, are taken into account for fixing/ revising the prices of bulk drugs and subsequently prices of formulations based on these drugs also are revised according to the revised price of the Bulk drug.

Regarding non scheduled drugs, Government expects the industry to make corresponding reduction in prices and keeps watch on the movement of the prices. Since there are more than 250 drug units in the organised sector and about 8,000 units in the small scale sector manufacturing a large number of bulk drugs and several thousands of formulations not under price control, it is not possible to intensively monitor the impact of custom duty concessions in this sector. However, in regard to any glaring intances that come to the notice of the Government, necessary remedial steps are taken.

**Imported and indigenous bulk drugs**

1894. SHRI RAJNI RANJAN SAHU: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question No. 1984 given in the Rajya Sabha on 11th March, 1993 and state:

(a) how the ratio parameter between usage of imported and indigenous bulk drugs encourage the basic production of bulk drugs;

(b) whether usage of imported and indigenous raw materials instead of bulk drugs is not taken as a base for the purpose of this parameter for encouraging basic production; if so, the reasons therefor;

(c) whether it is a fact that the parameter which is presently being followed is baseless and does not encourage basic production of bulk drugs due to value adjustments, purchases of imported bulk drugs locally and other relevant adjustments; and

(d) the steps being taken to look at the whole matter afresh so that effective parameter could be laid down?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) The ratio parameter between the usage of imported and indigenous bulk drugs limits the dependence on imports by stipulating that consumption of imported bulk drugs should not exceed 50 per cent of the value of the indigenous bulk drugs consumed. This encourages the indigenous production of bulk drugs, which can be manufactured in the organised sector only from the basic stages prescribed by Government in the Industrial approvals.

(b) Since Government's aim in the Drug Policy is to encourage the indigenous production of bulk drugs, their consumption is taken as the base for the purpose of this parameter.

(c) and (d) Ratio parameters have been in existence since 1978. The growth in bulk drug production since then indicates that the Government policies have given a thrust to bulk drug manufacture. India has emerged as a leading bulk drug manufacturer in the international arena, capable of meeting 65 per cent — 70 per cent of the country's requirements.

**Writing off of amount due from IDPL and HAL**

1895. SHRI ANANT RAM JAISWAL: Will the PRIME MINISTER be pleased to refer to the answer to Starred Question 221 given in the Rajya Sabha on the 11th March, 1993 and state:

(a) whether it is a fact that amount due from IDPL, HAL and Government opium and Alkaloid Works into DPEA have been written off;

(b) the reasons for not recovering Government dues before making payment from DPEA to IDPL and HAL and whether any financial clearance was obtained before doing so;

(c) the reasons for which undue benefit of over 1 crore of rupees has been given on Codeline Phosphate;

(d) what are the details thereof and officers involved in this regard; and

(e) the reasons for not furnishing the names of Government Opium and Alkaloid works in the list of companies?